

CHANG'S TERMS OF PEACE PUT BEFORE NATIONAL LEADERS

Rebel General Sets Forth Plan for Ending Civil War and Freeing of Kai-Shek

EMISSARY COMES FROM MUTINEERS

Conference Is Immediately Begun, With Chiefs Of Nanking Government Participating; Gathering Protected by Armed Guards Around Council Room

Nanking, China, Dec. 18.—(AP)—High officials of the Nanking government were called into session today under the protection of armed guards to hear what was thought to be the terms Marshal Chang Hsueh-Liang has dictated to end the civil war and free Chiang Kai-Shek.

The arrival of General Chiang Ting-Wen from Sianfu opened the Nationalist government's efforts on peaceful negotiations to release the generalissimo while their crack divisions pushed toward the rebel stronghold of Sianfu under orders to storm the city if all other means failed.

General Chiang Ting-Wen, who had been held captive with his chief, since the beginning of the rebellion last week, immediately went into conference with Dr. H. H. Kung, civil head of the government; Dr. T. V. Soong, brother-in-law of the generalissimo, and Madam Chiang Kai-Shek.

Edward Kind To Pose For Picture Men

Envesfeld, Dec. 18.—(AP)—The Duke of Windsor terminated his voluntary seclusion today to pose for a battery of photographers on the grounds of Baron Eugene de Rothschild's Austrian castle.

Hatless and in a serious mood, the former British ruler walked alone to the courtyard, where 17 cameramen awaited him. He appeared fatigued. "Gentlemen how do you want me?" he greeted the photographers. "Shall I sit or stand?"

A flood of replies and subsequent questions followed his remarks as the business of making pictures of the abdicated monarch began.

Three minutes later the photographers, clutching their plates, began a 500-yard sprint to their automobiles and motorcycles to carry them the 2 1/2 miles to Vienna.

The duke replied to only one direct statement, made by a British photographer, who said: "We wish your highness every happiness."

"I wish you luck, also," the British prince responded.

DEATH CALLS WIFE SEABOARD FOREMAN

Roanoke Rapids, Dec. 18 (AP)—Mrs. N. R. Jenkins, 54, wife of a Seaboard Air Line railroad foreman at Littleton, died in a hospital here last night of a wound. Officers listed the cause as suicide.

Five Perish In Apartment House Blaze

Man Goes To Sleep With Lighted Cigarette in Hand; Accused Under Law

New York, Dec. 18 (AP)—William Hoffman, who went to sleep with a lighted cigarette in his hand, and caused a fire in a roving house in 37th street, early today, costing the lives of five persons was arrested this afternoon charged with second degree manslaughter.

Assistant District Attorney Saul Trice, who questioned Hoffman, said he was guilty of "culpable and gross criminal negligence."

The five were killed at dawn when fire swept through the house near Riverside Drive.

Four were burned to death inside the four-story brownstone building and one man jumped to his death from a third floor window when the fire cut off his escape down the stairs.

Carolina Power & Light Co. Cuts Rates \$730,000 Total To Customers In Carolinas

Maine Votes—Anyway



Formal casting of the ballot in the electoral vote of Maine for the Presidency is shown above. As Maine went, so did Vermont. Maine gave five votes for Landon—Vermont three. Grand total eight electoral votes. Oh, well. . . . (Central Press)

Grocer And Woman From Nearby Home Are Found Dead In Raleigh Store

Trouble Brewing Among the Cubans

Havana, Dec. 18.—(AP)—A commission of senators and representatives met early today to draft impeachment proceedings against President Miguel Gomez because of his opposition to the \$1,500,000 sugar tax bill.

President Gomez incurred the political enmity of the commission members because he said he would veto the bill, sponsored by Cuba's "strong man," Colonel Fulgencio Batista, to provide revenues for army-taught rural schools.

Several congressmen who declined to be quoted by name, declared impeachment proceedings would be forced, regardless of the congressional vote on the bill, which would create a nine-cent tax on each bag of sugar.

EURE MAY BECOME STATE SECRETARY

May Take Powell's Place Before Starting His Regular Term

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILLE Raleigh, Dec. 18.—Thad Eure, who was elected secretary of state in the November election, but who ordinarily would not take office until January 7, is expected to accept the appointment already tendered him by Governor J. C. B. Ehringhaus and to take the oath of office as secretary of state late today or tomorrow. Governor Ehringhaus conferred with Mr. Eure Wednesday night after he had appointed Charles G. Powell present secretary of state, as chairman of the new State Unemployment Compensation Commission and urged Eure to accept the appointment to fill out Powell's unexpired term so that the announcement of his acceptance could be made at the same time the other appointments were announced. But Mr. Eure asked for some time to consider the

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5 SHOPPING DAYS TILL Christmas

EUROPE POLICY OF 'HANDS OFF SPAIN' SLOWLY CRUMBLES

Even England, Instigator of Program, Admits Selling Gas Masks to the Loyalists

POLICY AIMED AT LOCALIZING FIGHT

But Russia, Germany, Italy and Portugal Have All Been Accused of Helping One Side or Other in Civil War; "White-Washing" Is Given In London

(By The Associated Press.) Europe's "hands-off" Spain policy crumbles as the civil war drags on into its sixth month.

Britain's tall, trim young Foreign Secretary Anthony Eden today announced "we could have sold a small confinement of gas masks to the Spanish government at their request."

That adds one more difficult element to a confused situation.

Russia has sent money and frequently has been charged with sending men and arms to the Madrid government.

Germany, Italy and Portugal have been accused of doing the same for the Fascist forces, besieging Madrid and holding more than half of Spain.

Guns, tanks and airplanes with foreign labels have been found on both sides of the war front, but how they got there is not clear.

Eden's "non-intervention" committee of a score of nations agreed in London to stay out of the war as the only method of preventing a European conflict. All agreed there was danger of a general war if arms were furnished by countries sympathizing with the Socialist-Communist Madrid government, or with the insurgents, composed of Fascists, aristocratic and Catholic elements.

The London committee white-washed every one, but later developments indicated "they were not guilty, but don't do it any more."

CONVICT GEORGIAN IN MARTIN MURDER

A. N. Watson Faces Death Chair for Slaying of Filling Station Man at Williamston

Williamston, Dec. 18.—(AP)—A. N. Watson, of Jefferson, Ga., faced death in the lethal gas chamber today after a jury of Beaufort citizens convicted him in Martin Superior Court of first degree murder of Thomas Holiday, filling station operator, near Robersonville.

Sentence was not passed immediately to set the death date.

Holiday was found dying at the filling station the morning of November 22. Evidence tended to show Watson who had been working on a road construction job near here for some months, had struck Holiday a blow on the head while the latter was changing a tire on Watson's car.

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G. O. P. Will Pay Hamilton \$25,000 Sum

Chicago, Dec. 18.—(AP)—Members of the executive committee of the Republican National Committee disclosed today Chairman John Hamilton had been voted a salary of \$25,000 a year to devote his full time to the party's rehabilitation.

It was the first time the chairman of the Republican National Committee had been put on a full-time salary basis in the interim between presidential campaigns, the committeemen said.

The action was taken at an executive committee meeting last yesterday after the national committee gave Hamilton a vote of confidence and refused to accept his resignation.

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Depression Is Fading Into Memory, Babson Declares

Unemployed Being Absorbed by Private Industry And December Business Is Best Since 1928; Heavy Industries Given Credit for Current Boom

By ROGER W. BABSON, Copyright 1936, Publishers Financial Bureau, Inc.

Washington, Dec. 18.—The outstanding feature about this December boom in business is the renaissance among the heavy industries. Locomotive orders, utility construction, shipbuilding, plant expansion, oil drilling activity, and home building have suddenly come to life. This boomlet is no flash-in-the-pan.

The revival among these industries is gathering momentum and clearing away the last obstacles in the path of returning prosperity.

Shirts Vs. Locomotives What is the difference between capital and consumer goods? Consumer

goods are used up soon after they are produced. They are turned into order and quickly usually into money. Hence, most manufacturers of such goods operate on a cash basis. Typical examples of consumer goods are shoes, shirts, bread, automobiles, carpets, radios and the like. Capital goods, on the other hand, are durable products and are used principally in fabricating or transporting other goods. It takes weeks or months to make capital goods and years to pay for them. Hence, they are manufactured on credit. Examples of capital goods are locomotives, steamships, machinery, and power stations.

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AMERICAN GUNBOAT FIRED ON BY REBEL CRUISER OFF SPAIN

On Missing Air Liner

Three Shells Strike Near "Erie" off Gijon, to Which Port Gunboat Goes Quickly

U. S. FLAG RAISED AND FIRING ENDS

Spanish Fascist Cruiser Immediately Steams Away; French and British News Agencies Report Incident but U. S. Naval Attache Lacks Facts

London, Dec. 18 (AP)—A Reuter's (British) News Agency dispatch from Gijon, Spain, today said the Spanish Fascist cruiser Estancia fired three shells which struck near the United States gunboat Erie off Gijon.

The Reuter's dispatch said the shells, of 305 millimeters, struck about 300 yards from the United States boat.

The Erie ran up the American flag, the report said, after which the Spanish vessel steamed away.

The Erie then put into Gijon, Reuter's said.

(The American naval attache in Paris said he was unable to confirm reports, which also were carried by a French news agency in a dispatch under Madrid dateline.

(He further declared the Erie, having completed a shake-down cruise, was scheduled to return to the United States via the Azores.)

The Erie's displacement is 2,000 tons. She carries four five-inch guns, two three-inch anti-aircraft guns, and two six-pounders.

APPOINTMENT FOR POWELL CRITICIZED

McDonald Group Sees Continuance of Spoils System in State

MIGHT HELP LIBERALS

If This Policy Continues, 1940 May See Real Overturn of Present Dominant Faction in Democratic Party

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILLE Raleigh, Dec. 18.—The appointment of Charles G. Powell as chairman of the newly created Unemployment Compensation Commission and for a term of six years, within six hours after the General Assembly had finished enacting the bill creating this commission, has set political circles here by the ears and for the time being is bringing down more criticism upon the heads of retiring Governor J. C. B. Ehringhaus and incoming Governor Clyde R. Hoey than anything which has happened in months, observers here agree. Nor is this criticism coming from those who are un-

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Companies Accused By Steel Head

Mexico Will Let Trotzky Enter There

Mexico City, Dec. 18.—(AP)—Leon Trotzky's plea for asylum opened hospitable doors in Mexico today for the wandering exile from Soviet Russia, who could find no refuge in Europe.

The former revolutionary leader—despite earlier intimations he would refuse Mexico's offer of haven, unless he were promised full freedom of political activity—was expected to sail from Norway on the next boat.

Trotzky, literally a man without a country, applied to the Mexican minister at Paris, Adelberto Tejeda, for permission to reside in Mexico, government officials said.

The ministry of interior announcing Trotzky had accepted the government's invitation, said immigration authorities were ordered to admit him.

(Trotzky's permit to reside in Norway, his present refuge, expired yesterday.)

OUR WEATHER MAN

FOR NORTH CAROLINA. Cloudy, occasional rain tonight and Saturday; slightly warmer Saturday.

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Fascists Pave Way For Drive

Madrid, Dec. 18.—(AP)—Spanish Fascists, fighting to clamp a band of steel around northern Madrid, drove today to the Escorial road, to open the way for an attack from Guadajajara.

The insurgents apparently were shifting their attack around from the west to the north and east, leaving the southern approach to Madrid less heavily guarded than during the last few weeks of the siege.

Government forces, seizing their opportunity, were reported to have captured a strategic hill near Toledo.

One Strike Of Auto Men Called Off

(By The Associated Press.)

Strikers in one branch of the automotive industry returned to work today while others, deadlocked with their employers, awaited word from union leaders conferring at Washington.

The day-old walk-out in National Automotive Fibre Company of Detroit, maker of floor mats cushions and upholstery, ended early today when 1,500 workers accepted wage increases of five cents an hour and agreed to negotiate over other issues.

A strike of 13,000 flat glass workers—whose output includes automobile glass—continued. Glenn McCabe, their union head, planned a meeting at the capital with Homer Martin, United Automobile Workers chief, and John L. Lewis, with whose committee for industrial organization both unions were affiliated.

MOMENTOUS NEWS WAS OVERLOOKED

Big Events Transpiring During King Edward "Break" Were Ignored

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 18.—There are times in the affairs of men when, for a space of days or weeks or months or even longer, there practically is no news except of just one kind.

The interval during which all human attention was riveted upon the King Edward-Mrs. Simpson affair

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